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EX PARTE OR LATE FILED

January 8, 1997

via Federal Express

Ms. Magalie Salas  
 Secretary  
 Federal Communications Commission  
 1919 M Street, N.W., Room 222  
 Washington, D.C. 20554

- Re: 1) In the Matter of Alascom, Inc. Cost Allocation Plan, AAD 94-119,  
 Application for Review of DA 97-320, released February 10, 1997
- 2) In the Matter of Investigation of Alascom, Inc., Interstate Transport and  
 Switching Services, CC Docket No. 95-182 (Tariff 11)

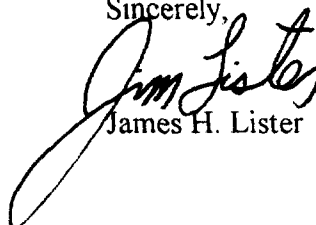
Dear Secretary Salas:

Attached is a letter dated January 8, 1998, sent ex parte to Mr. Thomas David of the  
 Accounting and Audits Division on behalf of ATU-Long Distance, Inc.

In accordance with the Commission's rules, this cover letter discloses the ex parte contact.  
 I am providing an original and three copies of this cover letter (all with the letter to Mr. David  
 attached.) The original and one copy are for filing in AAD 94-119, referenced above. The other  
 two copies are for filing in CC Docket 95-182, also referenced above.

Finally, I am enclosing an extra copy of this cover letter, which I ask that you file stamp  
 and return in the envelope provided.

Sincerely,



James H. Lister

cc: Mr. Thomas David

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January 8, 1998

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Mr. Thomas David  
Accounting and Audits Division  
Federal Communications Commission  
2000 C Street, N.W., Room 200J  
Washington, D.C.

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- 2) In the Matter of Investigation of Alascom, Inc., Interstate Transport and Switching Services, CC Docket No. 95-182 (Tariff 11)

Dear Tom,

On November 10, 1997, I wrote you a letter to check on the status of the Application for Review filed by AT&T Alascom concerning the Common Carrier Bureau's February 10, 1997 decision on the Cost Allocation Plan. I represent ATU- Long Distance, a new competitive long distance carrier operating in the Alaska market. Since it is primarily a reseller, ATU-LD depends on the facilities of other carriers in the market to transmit its calls. ATU-LD subscribes to service under AT&T Alascom's Tariff 11, the Common Carrier Services Tariff that the Commission created as a product of its twelve year Alaska Market Structure Inquiry and which is currently under investigation in CC 95-182.

In my earlier letter, I explained that the Commercial Wireless Bureau Staff (which is responsible for the Tariff 11 investigation) announced in November at a conference of parties that they had decided not to proceed to investigate any of the three sets of Tariff 11 rates which had been filed over the last two years until the Commission rules on the CAP Application for Review. On December 31, 1997, the Competitive Pricing Division issued an order (DA 97-2727) suspending the latest Tariff 11 rates for one day and instituting an investigation into their reasonableness, which will be consolidated with the investigation of the earlier filings being handled by Commercial Wireless. This investigation, like the others, will be held up until the Commission issues the CAP order.

Even though the Commission spent twelve years developing a market structure for Alaska, the tariff rates which derived from the inquiry have never been investigated and found lawful. Parties

Mr. Thomas David

January 8, 1998

Page 2

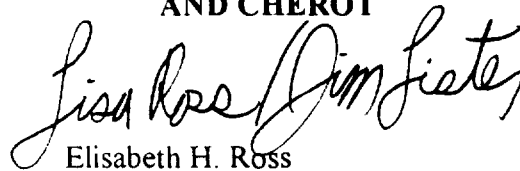
which subscribe to Tariff 11 service have identified many deficiencies in the rate development which have caused Tariff 11 to be substantially over-priced. Yet, the Commission has failed to take any action even setting specific issues for investigation, despite the passing of the statutory five month deadline for investigating tariff cases. 47 U.S.C. § 204(a)(2)(A). The Tariff was created in part to insure that new carriers could enter the extremely high cost Alaska market without having to build their own facilities. Unfortunately, the few new carriers that have entered the market have had to take service under unreasonably high rates, which harms their ability to develop and become more efficient. The one measure taken by the Commission to stimulate competition is actually proving to be a barrier to entry because of the Commission's failure to follow through on implementation.

The situation is exacerbated by the fact that several questionable provisions of Tariff 11, including a rule requiring customers to take transport and switching as a bundle, do not directly pertain to rates. Accounting orders which may eventually provide a refund do not help with these non-rate issues. Moreover, ATU-Long Distance has limited its Tariff 11 purchases because of the current high rates. The accounting order provides no protection for loss of the opportunity to take service at reasonable rates - the very opportunity the Commission wanted for new entrants in creating Tariff 11 service.

ATU-Long Distance would appreciate any efforts to finalize the Order, so that the Tariff 11 investigation may proceed. We recognize that the Commission has been extremely busy, but ask that the CAP order be given a higher priority because of Commercial Wireless's decision to stay underlying Tariff 11 investigations. Considering the importance of the matter to our operations, we may have to consider taking more formal action soon, either at the administrative level or through judicial relief.

Sincerely,

**BIRCH, HORTON, BITTNER  
AND CHEROT**



Elisabeth H. Ross

cc: David Furth, Esq.  
Chief, Commercial Wireless Division